

SCHEDULES

SCHEDULE 2

TAXATION PROVISIONS RELATING TO RE-STRUCTURING ETC

Transfer of securities of subsidiaries of original holding company to Crown etc

- 1 (1) This paragraph applies where—
 - (a) there is a disposal of securities of a subsidiary of the original holding company to the Secretary of State or the Treasury (or a nominee of either of them) or to a company wholly owned by the Crown, and
 - (b) immediately before the disposal, the subsidiary was wholly owned by the original holding company.
- (2) For the purposes of the Taxation of Chargeable Gains Act 1992 the disposal is to be treated in relation to—
 - (a) the person making the disposal, and
 - (b) the person to whom the disposal is made,as made for a consideration such that no gain or loss accrues to the person making the disposal.
- (3) The degrouping provisions are not to apply by reason of the disposal or any agreement to make the disposal (if they otherwise would).
- (4) In this Schedule a “degrouping provision” means—
 - (a) section 179 of the Taxation of Chargeable Gains Act 1992 (company ceasing to be member of group), or
 - (b) paragraph 3 of Schedule 7 to the Finance Act 2003 (withdrawal of SDLT group relief).
- (5) Stamp duty is not chargeable on the instrument effecting the disposal.
- (6) This paragraph applies whether or not the disposal is made by or under a transfer scheme under section 8.